



ENERGY TO LIFE

**Media Relations**

Ph. +39 06 8305 5699  
Fax +39 06 8305 3771  
ufficiostampa@enel.com

**Investor Relations**

Ph. +39 06 8305 7975  
Fax +39 06 8305 7940  
investor.relations@enel.com

[enel.com](http://enel.com)

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## ENEL BOARD OF DIRECTORS DISCUSSES PROGRESS IN REORGANISATION OF GROUP ACTIVITIES IN IBERIA AND LATIN AMERICA

**Rome, September 11<sup>th</sup>, 2014** – The Board of Directors of Enel S.p.A. ("Enel"), chaired by Patrizia Grieco, today examined and discussed the progress in the implementation of its plan for the reorganisation of Group activities in Iberia and Latin America, approved by the Board at its July 30<sup>th</sup> meeting.

The main objectives of the plan are as follows:

- to align the corporate structure with the new organisational structure of the Group, thus simplifying the control chain of Latin America companies and creating the basis for the optimisation of the Group's cash flows;
- to focus the operations of Endesa S.A. ("Endesa") as the leading company in the Iberian energy market, by means of a new business plan focused on the development of current business platforms as well as on emphasizing the competitiveness from operations in Spain and Portugal.

More specifically, today the Board of Directors discussed:

1. the presentation to Endesa by Enel Energy Europe S.L. ("EEE", a company incorporated under Spanish law that is wholly-owned by Enel and which in turn holds 92.06% of Endesa) of a binding proposal for the acquisition of the 60.62% interest held directly and indirectly by Endesa in the Chilean company Enersis S.A. ("Enersis"), parent company for operations in Latin America. More specifically, the stakes which would be acquired are 20.30% of Enersis held directly by Endesa, and 100% of Endesa Latinoamérica S.A. ("Endesa Latinoamérica"), which in turn holds 40.32% of Enersis. The proposal provides for a total purchase price for the above interests in an amount equal to 8,252.9 million euros based upon an implicit price for Enersis shares of 215.0 Chilean pesos (equal to 0.28 euros at the exchange rate prevailing on September 10<sup>th</sup>, 2014) and net of Endesa Latinoamérica's structural costs and net liabilities, equal to a negative 144 million euros. Such a consideration was determined by using international valuation procedures and methods generally accepted for these operations, supported by the fairness opinion issued by Mediobanca as a financial advisor.
2. together with the acquisitions above, EEE proposes that Endesa distribute an extraordinary cash dividend, in an amount equal to the consideration received by Endesa for the sale of 60.62% of Enersis, the payment of which will be dependent upon the execution of such sale.

The proposal regarding the purchase of 60.62% of Enersis provides for, *inter alia*, a clause providing that for a period of two years from the closing date of such transaction, EEE shall pay to Endesa, in the event of the sale for cash of a stake in the share capital of Enersis to non-Enel Group purchasers that reduces the total stake held (directly or indirectly) to below 60.62%, the positive difference, if any, between the price per Enersis share upon which such sale is based and that on which the purchase of 60.62% of Enersis is based, multiplied by the number of Enersis shares sold.

Both the proposal for the sale of 60.62% of Enersis and that for the extraordinary cash dividend are expected to be examined by the Board of Directors of Endesa, which will decide based upon the proposals put forth by a special internal committee comprised entirely of independent directors, mandated

to verify that the plan for reorganising Enel Group activities in Iberia and Latin America is in line with the corporate interests of Endesa from an economic, financial, legal and strategic standpoint. Both the sale of the shares as above and the proposed distribution of the extraordinary cash dividend, if approved by the Board of Directors of Endesa, will then be submitted to the shareholders' meeting of Endesa for its approval.

Furthermore, following approval by the relevant corporate bodies of Endesa, the above transactions are expected to be completed during the last quarter of 2014, having already received from the relevant authorities the required authorisations for their completion within the terms indicated above. .

If the Board of Directors of Endesa approves the proposal by EEE to purchase 60.62% of Enersis and the related distribution of the extraordinary cash dividend by Endesa, Enel's Board of Directors will perform the appropriate analyses and assessments concerning a reorganisation of Endesa's financial structure (likely could be carried out also through the payment of a further extraordinary dividend). Again, following Endesa's Board approval of the EEE proposals, Enel's Board of Directors will carry out a possible review of the related dividend policy, as well as assessing the possibility of undertaking capital market transactions, depending on market conditions, to add further value to EEE's holding in Endesa and resolve the stock's current lack of liquidity.

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